

**NIGERIAN RED CROSS SOCIETY**  
**NATIONAL HEADQUARTERS**



**AUDITED FINANCIAL STATEMENTS FOR THE  
YEAR ENDED 31ST DECEMBER, 2021**

**NASIR.A. OZAMAH & CO  
(CHARTERED ACCOUNTANTS)  
SUITE C6, 1<sup>ST</sup> FLOOR,  
ABUJA SHOPPING MALL,  
WUSE ZONE 3,  
ABUJA**

# THE NIGERIAN RED CROSS SOCIETY

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2021

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# THE NIGERIAN RED CROSS SOCIETY

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2021

## CORPORATE INFORMATION.

### MEMBERS OF COUNCIL

Elder (Chief) Bolaji Akpan Anani  
Abubakar Ahmed Kende  
Prince Oluyemisi Adeaga

National President  
Secretary General  
National Finance and Property Management Adviser

### REGISTERED OFFICE

Plot 589 TOS Benson Crescent,  
Off Ngozi Okonjo Iweala Way,  
Utako, Abuja.

### AUDITORS

Nasir. A. Ozamah & Co.  
(Chartered Accountants)  
Suite C6, 1st Floor Abuja Shopping Mall,  
Zone 3, Wuse  
Abuja.

### BANKERS

Access Bank Plc,  
GT Bank Plc,  
Polaris Bank Plc,  
Zenith Bank Plc,  
UBA Plc,  
FCMB

### LEGAL ADVISER

Barriater Mua'zu Mohammed Dikwa

# THE NIGERIAN RED CROSS SOCIETY

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2021

## 1 CENTRAL COUNCIL REPORT

The Central Council Members submitted their report together with the Society's Financial statements for the year ended on 31st December, 2021

## 2 ACTIVITIES

The Society is engaged in the service of humanity.

## 3 STATE OF AFFAIRS

In the opinion of the the Central Council Members, the state of the Society's Affairs is satisfactory and there has been no material changes since the date of the statement of financial position.

## 4 RESULT FOR THE YEAR

	2021	2020
	N	N
Income	1,627,240,968	1,062,783,778
Expenditure	1,669,332,874	696,484,727
Surplus/(Deficit) for the year	(42,091,905)	366,299,050

## 5 EMPLOYEES INVOLVEMENT AND TRAINING

Adequate support is given to any staff that embarks on any self development program.

## 6 HEALTH, SAFETY AND WELFARE

The Society accepts responsibilities for medical cost of employee for accidents during the official hour while in active service.

## 7 AUDITORS

Messrs. Nasir .A. Ozamah & Co was appointed as new Auditors in accordance with Section 357 of the companies and Allied Matters Act CAP C20 LFN 2004

BY ORDER OF THE BOARD  
SECRETARY

3.



**NASIR .A. OZAMAH & CO.**  
Chartered Accountants, Tax Practitioners, Financial & Management Consultants  
BN: 2006678

REGISTERED OFFICE:  
No. 4 Ramat Adamu Street, Dakwa, Tafa Local Govt.  
Niger State.

TIN:18905794-0001

**REPORT OF THE AUDITORS  
TO THE MEMBERS OF THE NIGERIAN RED CROSS SOCIETY**

We have audited the financial statements set out on pages 6 to 18 which are prepared on the basis of significant accounting policies on page 19.

**Respective Responsibilities of Central council members and Auditors**

The central council members are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

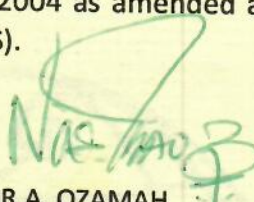
**Basis of Opinion**

We conducted our audit in accordance with International Standards on Auditing. An audit includes examination on a test basis, of evidences relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the central council members of the society in the preparation of the financial statements, and of whether the accounting policies are appropriate to the society's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary to provide us with sufficient evidences to give a reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud, other irregularities or errors. In forming our opinion, we also evaluated the overall adequacy of the presentations of information in the financial statements. The financial statements are in agreement with the books of accounts, all the information and explanations we required and obtained.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the society for the Year ended 31<sup>st</sup> December, 2021 and have been properly prepared in accordance with the Companies and Allied Matters Act CAP C20 LFN,2004 as amended and the relevant International Financial Reporting Standards (IFRS).

  
NASIR.A. OZAMAH  
FRC/2013/ICAN/00000004634  
For: NASIR. A. OZAMAH & CO  
(Chartered Accountants)  
19th September,2022



**NIGERIAN RED CROSS SOCIETY**  
**AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2021**  
**STATEMENT OF COMPREHENSIVE INCOME**

	NOTE	RESTRICTED	UNRESTRICTED	TOTAL	TOTAL
Continuing Operations		2021	2021	2021	2020
		NGN	NGN	NGN	NGN
<b>Operating Income</b>					
GRANT INCOME		1,341,990,994	-	1,341,990,994	767,797,908
SPONSORSHIP		894,605	-	894,605	-
DONATION IN KIND		-	885,000	885,000	-
OTHER DONATIONS		659,572	-	659,572	1,261,260
INSTITUTIONAL SUPPORT		145,272,726	-	145,272,726	-
Sales of Forms and I.D Cards		-	-	-	3,114,700
RENTAL INCOME		-	13,990,000	13,990,000	5,680,000
FIRST AID TRAINING FEES		-	17,341,642	17,341,642	14,730,260
PROJECT ADMINISTRATIVE FEE		-	11,181,332	11,181,332	59,110,609
MEMBERS & VOLUNTEER ID		-	6,165,425	6,165,425	1,756,395
OTHER OPERATING INCOME		-	-	-	355,373
<b>Total Operating Income</b>	<b>1</b>	<b>1,488,817,897</b>	<b>49,563,399</b>	<b>1,538,381,295</b>	<b>853,806,505</b>
<b>OPERATING EXPENDITURE</b>					
Humanitarian response					
Direct Cost: Program expenses	2	1,280,477,973	-	1,280,477,973	333,014,233
Other program related expenses- staff support cost	3	270,339,042	-	270,339,042	278,839,485
<b>Total Humanitarian/program cost</b>		<b>1,550,817,015</b>	<b>-</b>	<b>1,550,817,015</b>	<b>611,853,718</b>
Administrative expenses	4	-	114,309,532	114,309,532	94,961,074
<b>TOTAL OPERATING EXPENDITURE</b>		<b>1,550,817,015</b>	<b>114,309,532</b>	<b>1,665,126,547</b>	<b>706,814,792</b>
<b>Net Surplus/deficit from Operating activities</b>		<b>(61,999,118)</b>	<b>(64,746,134)</b>	<b>(126,745,252)</b>	<b>146,991,713</b>
<b>Finance Income and Expenses</b>					
Finance income	1	-	18,864	18,864	36,772
Finance expense	5	-	4,206,327	4,206,327	1,360,575
Net Finance (EXPENSE) / INCOME		-	(4,187,463)	(4,187,463)	(1,323,803)
<b>NET SURPLUS/DEFICIT FOR THE YEAR</b>	<b>4.</b>	<b>(61,999,118)</b>	<b>(68,933,596)</b>	<b>(130,932,714)</b>	<b>145,667,910</b>

**NIGERIAN RED CROSS SOCIETY**  
**AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER,2021**

<b>OTHER COMPREHENSIVE INCOME</b>				
Build,Operate and Transfer(Lagos Building)			-	-
Bank overdraft written back				120,000,000
VEHICLE AUCTION SALES PROCEED			-	88,940,501
Exchange Gain	1	87,625,809	1,215,000	1,215,000
			87,625,809	-
<b>Total OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>87,625,809</b>	<b>1,215,000</b>	<b>88,840,809</b>
				<b>208,940,501</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>25,626,691</b>	<b>(67,718,596)</b>	<b>(42,091,905)</b>
<b>Attributable to:</b>				<b>354,608,411</b>
Restricted reserves		25,626,691		25,626,691
Unrestricted reserves			(67,718,596)	434,783,675
			(67,718,596)	(80,175,264)
			(42,091,905)	354,608,411

## NIGERIAN RED CROSS SOCIETY

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2021

### STATEMENT OF FINANCIAL POSITION.


<b>ASSETS</b>	<b>NOTES</b>	<b>NGN 2021</b>	<b>NGN 2020</b>
<b>CURRENT ASSET</b>			
Cash and Cash Equivalents	6	220,376,494	239,662,711
Closing Inventories	7	54,900,350	61,259,490
Receivables	8	84,753,255	40,294,742
Prepayment and Contract Asset	9	9,500,000	9,500,000
<b>Total current asset</b>		<b>369,530,099</b>	<b>350,716,943</b>
<b>NON-CURRENT ASSETS</b>			
Property, Plant & Equipments	10	855,483,409	874,618,524
<b>TOTAL ASSETS</b>		<b>1,225,013,508</b>	<b>1,225,335,467</b>
<b>LIABILITIES, FUND &amp; RESERVE</b>			
<b>Current liabilities</b>			
Creditors and accruals		42,832,947	41,530,061
<b>Total Current liabilities</b>	11	<b>42,832,947</b>	<b>41,530,061</b>
<b>Non current Liabilities</b>			
Creditors and accruals		40,467,061	-
<b>Total Non-current liabilities</b>	11	<b>40,467,061</b>	<b>-</b>
<b>Total Liabilities</b>		<b>83,300,008</b>	<b>41,530,061</b>
6.			



## NIGERIAN RED CROSS SOCIETY

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2021

<b>Reserves</b>		
Restricted reserve	506,229,827	479,388,136
Unrestricted reserve	(179,789,023)	(110,855,426)
Revaluation Reserve.	815,272,696	815,272,696
<b>Total reserves</b>	<b>1,141,713,500</b>	<b>1,183,805,406</b>
<b>TOTAL LIABILITIES &amp; RESERVE</b>	<b>1,225,013,508</b>	<b>1,225,335,467</b>

  
.....  
SECRETARY GENERAL

  
.....

NATIONAL FINANCE AND PROPERTY MANAGEMENT ADVISER

The accompanying notes form integral parts of these accounts

**NIGERIAN RED CROSS SOCIETY**  
**AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2021**  
**STATEMENT OF CHANGES IN RESERVES.**

2021	Notes	Restricted NGN	Unrestricted (retained surplus) NGN	Designated (Revaluation Reserves) NGN	Total NGN
Balance at 1st January		479,388,136	(110,855,426)	815,272,696	1,183,805,406
Net surplus for the year		(61,999,118)	(68,933,596)	-	(130,932,714)
Other comprehensive income for the year		88,840,809	-	-	88,840,809
<b>Total comprehensive income for the year</b>		26,841,691	(68,933,596)	-	(42,091,905)
Balance at 31 December		506,229,827	(179,789,023)	815,272,696	<b>1,141,713,500</b>
<b>2020</b>					
Balance at 1st January		44,604,461	(26,680,162)	665,272,696	683,196,995
Net surplus for the year		434,783,675	(289,115,765)	-	145,667,910
Suleja Land at fair Value				150,000,000	150,000,000
Other comprehensive income for the year			208,940,501	-	208,940,501
<b>Total comprehensive income for the year</b>		434,783,675	(80,175,264)	150,000,000	504,608,411
Used during the year		-	(4,000,000)	-	(4,000,000)
Balance at 31 December		479,388,136	(110,855,426)	815,272,696	<b>1,183,805,406</b>

8.

**NIGERIAN RED CROSS SOCIETY**

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2021

**CASH FLOW STATEMENT FOR  
THE YEAR ENDED 31ST  
DECEMBER, 2021**

	Notes	2021 NGN	2020 NGN (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net surplus for the year		(42,091,905)	354,608,411
<b>Adjustment for non-cash items:</b>			
Depreciation and amortisation		38,477,106	28,943,234
<b>Changes in working capital</b>			
Receivables		(44,453,513)	(29,001,589)
Prepayments and contract assets		-	(12,161,770)
Inventories		6,359,140	(61,259,490)
Loans and Advances		-	
Payables		41,769,947	23,014,829
Decrease in bank overdraft		-	(74,960,261)
<b>Net change in working capital</b>		<b>3,670,574</b>	<b>(154,368,281)</b>
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>		<b>55,775</b>	<b>229,183,364</b>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>			
PURCHASE OF NON-CURRENT ASSETS		(19,341,992)	(42,578,800)
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>		<b>(19,341,992)</b>	<b>(42,578,800)</b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(19,286,217)</b>	<b>186,604,564</b>
<b>CASH &amp; CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		<b>239,662,711</b>	<b>53,058,147</b>
<b>CASH &amp; CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<b>220,376,493</b>	<b>239,662,711</b>

**NIGERIAN RED CROSS SOCIETY**

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER,2021

STATEMENT OF VALUE ADDED.	2021		2020	
	N	%	N	%
Operating Income	1,538,381,295		853,806,505	
Finance income	18,864		36,772	
Other comprehensive income	88,840,809		208,940,501	
	<b>1,627,240,968</b>		<b>1,062,783,778</b>	
Bought-in-goods and services	1,280,477,973		333,014,233	
Finance Expenses	4,206,327		1,360,575	
Other operating expenses	75,832,426		66,017,840	
Depreciation	38,477,106		28,943,234	
	<b>1,398,993,832</b>		<b>429,335,882</b>	
Valued Added	<b>228,247,136</b>	<b>100</b>	<b>633,447,896</b>	<b>100</b>
<b>APPLIED AS FOLLOWS</b>				
Salaries & Other Benefits	270,339,042	118	278,839,485	44
Surplus/(Deficit) for the year	(42,091,905)	(18)	354,608,410	56
	<b>228,247,136</b>	<b>100</b>	<b>633,447,895</b>	<b>100</b>

Value Added is the wealth created by organisation and its Employees. The statement represents the allocation of the wealth between the employees, shareholders, Government and that retained for the future creation of wealth. Though this is outside the scope of IFRS 1 but it is Other National Requirements (Rule 7) by the Financial reporting council of Nigeria (FRCN).

## NIGERIAN RED CROSS SOCIETY

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2021

### FINANCIAL SUMMARY

	2021	2020
<b>RESERVES &amp; LIABILITIES</b>	<b>₦</b>	<b>₦</b>
Restricted reserves	506,229,827	479,388,136
Unrestricted reserves	(179,789,023)	(110,855,426)
Revaluation reserves	815,272,696	815,272,696
Non-Current Liability	40,467,061	-
	<b>1,182,180,561</b>	<b>1,183,805,406</b>
<b>ASSETS &amp; LIABILITIES</b>		
Non Current Assets	855,483,409	874,618,524
Working Capital	326,697,152	309,186,882
	<b>1,182,180,561</b>	<b>1,183,805,406</b>

Although this is outside the scope of IFRS 1 but it is Other National Requirements (Rule 7) by the Financial reporting council of Nigeria(FRCN).

## NIGERIAN RED CROSS SOCIETY

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2021

### NOTE 1: OPERATING INCOME

	2021 NGN	2020 NGN
<b>RESTRICTED INCOME</b>		
GRANT INCOME	1,341,990,994	767,797,908
SPONSORSHIP	894,605	-
OTHER DONATIONS	659,572	-
INSTITUTIONAL SUPPORT	145,272,726	-
	<b>1,488,817,897</b>	<b>767,797,908</b>
<b>UNRESTRICTED INCOME:</b>		
DONATIONS IN KIND	885,000	
OTHER DONATIONS	-	1,261,260
SALE OF FORMS AND ID CARDS	-	3,114,700
RENTAL INCOME	13,990,000	5,680,000
FIRST AID TRAINING FEES	17,341,642	14,730,260
PROJECT ADMINISTRATIVE FEE	11,181,332	59,110,609
MEMBERS & VOLUNTEER ID	6,165,425	1,756,395
OTHER OPERATING INCOME	-	355,373
	<b>49,563,399</b>	<b>86,008,597</b>
<p>Included in the unrestricted income is donation in kind of N885,000 in the form of office equipment.</p>		
<b>VEHICLE AUCTION SALES PROCEED</b>	<b>1,215,000</b>	-
Finance income	18,864	36,772
Exchange Gain or Loss	87,625,809	-
BOT(LAGOS BUILDING)	-	120,000,000
Bank overdraft written back	-	88,940,501
<b>TOTAL INCOME</b>	<b>1,627,240,968</b>	<b>1,062,783,778</b>

Restricted income in foreign currencies were translated into NGN using the exchange rate that prevailed at the date of the transaction. The difference in the rate used in the budget and the rate at the transaction date gave rise to the exchange gain.

**NIGERIAN RED CROSS SOCIETY**

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2021

<b>NOTE 2</b>	2021	2020
<b>PROGRAM EXPENSES</b>	N	N
EMERGENCY SUPPLIES	9,200,000	-
TRAVEL EXPENSES	140,588,159	38,324,631
HEALTH EXPENSES	282,911,075	27,701,360
CAPACITY BUILDING UNDERTAKEN: SEMINARS & WORKSHOPS	157,107,295	242,409,402
OTHER OPERATING EXPENSES: ADVERTISING PRODUCTION	69,298,553	-
GIFT IN KIND-FOOD AID SUPPLIES	61,800,000	-
COMMUNICATION SUPPORT	4,607,000	-
TRANSLATION	694,000	-
CONTRIBUTIONS TO OTHERS	1,400,000	-
HALL RENTAL	1,352,120	-
CONFERENCE FEES	733,000	-
CONSTRUCTION COST	23,684,242	9,911,170
OTHER SHELTER EXPENSES	23,087,151	2,000,000
PRINTING & STATIONERY	54,112,015	30,262,020
RELIEF SUPPLIES	145,907,486	43,665,140
PROGRAM CONSULTANTS: VOLUNTEER OTHER ALLOWANCE	201,408,436	-
HONORARIUM	649,000	-
PARTNER PAYMENT EXPENSES	3,237,000	-
CASH DISTRIBUTION	153,601,791	-
CLOSING INVENTORY	(54,900,350)	(61,259,490)
	<b>1,280,477,973</b>	<b>333,014,233</b>
<b>NOTE 3</b>		
<b>PERSONNEL OVERHEAD EXPENSES</b>		
SALARIES-NRCS HQ	224,647,461	196,618,345
SALARIES-BRANCHES	15,820,870	15,998,766
TEMPORARY STAFF-EMPLOYED BY HQ	4,772,632	-
TEMPORARY STAFF-EMPL BY BRANCHES	1,800,000	-
OTHER STAFF BENEFITS	-	10,095,665
PENSION COSTS	22,464,746	25,879,665
SEVERANCE PAYMENTS	-	30,247,044
REDUNDANCY	433,333	-
TRAINING EXPENSES	400,000	-
	<b>270,339,042</b>	<b>278,839,485</b>
<b>NOTE 4</b>		
<b>ADMINISTRATIVE EXPENSES</b>		
OTHER EXPENSES ALLOWANCES	282,000	-
INSURANCE EXPENSES	-	325,000
STAFF ENTERTAINMENT	282,750	121,500
REPAIRS & MAINTENANCE-VEH&GEN	1,889,500	8,887,830
PROFESSIONAL CHARGES	1,500,000	12,050,000
CONSULTANCY	-	1,103,000
RENT	13,000,000	13,000,000
UTILITY(ELECTRICITY&WATER)	334,600	6,896,800

**NIGERIAN RED CROSS SOCIETY**

**AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2021**

TRANSPORT EXPENSES	-	113,250
FURNITURE & FITTINGS.	4,903,600	-
CLEANING	244,600	278,700
REPAIR & MAINTENANCE	1,058,300	8,837,400
COMMUNICATION	-	310,000
OTHER PREMISES COST	190,000	-
EQUIPMENT MAINTENANCE	72,700	-
SOFTWARE PURCHASE	700,000	-
OTHER NON-CAPITAL EQUIPM.	5,126,450	1,330,860
DONATION IN KIND	885,000	-
MEMBERSHIP FEE	11,604,074	10,808,600
PAYE	29,559,052	
IT HARDWARE PURCHASE	569,000	-
COMPUTER SUPPLIES	2,219,000	1,230,000
OTHER OFFICE SUPPLIES	1,211,800	724,900
SECURITY SERVICES-NON STAFF	200,000	-
DEPRECIATION (Note 10)	38,477,106	28,943,234
	<b>114,309,532</b>	<b>94,961,074</b>

a. The Furniture & Fittings of N4,903,600, Equipment of N5,126,450 and (intangible assets) i.e software of N700,000 are below the \$5,000 threshold for non-Current asset to be capitalised given the exchange rates at the time of their individual items purchased and in accordance with the society's finance policy.

b. Donation in kind of N885,000 in the form of office equipment is also included here in accordance as in note 'a' above and recognised as income (see note 1).

**Note 5**

**FINANCE COST**

BANK CHARGES	4,206,327	1,360,575
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## NIGERIAN RED CROSS SOCIETY

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2021

NOTE 6: CASH AND CASH EQUIVALENT BANK	2021 NGN	2020 NGN
ACCESS BANK IFRC	15,872,311	116,620,909
ACCESS BANK ICRC	24,774,348	5,759,222
ACCESS BANK CORE	11,231,215	3,204,058
ACCESS BANK UNFPA	517,745	8,844
ACCESS BANK	45,000	-
ACCESS BANK OXFAM	3,018	3,018
ACCESS BANK HAITI	256	256
ACCESS BANK JOS/HA	2,874	2,874
ACCESS BANK JOS CR	2,894	2,894
ACCESS BANK	64,863	
ACCESS BANK	1,218,237	322,836
GT BANK	44,924,171	746,694
GT BANK	1,876,874	8,358,967
GT BANK	11,432,270	67,140
ZENITH BANK UNHCR	4,841,981	18,480,252
ZENITH BANK FIRTAID	18,970,213	76,699,410
UBA MEMBERSHIP	3,748,972	1,378,462
UBA CLINIC ACCT KANO	5,657,761	6,144,350
UBA	225,081	228,862
FCMB NRCS	10,922	10,922
POLARIS BANK	1,065,380	1,052,523
ACCESS DIAMOND BANK CLINIC	555,808	555,808
ACCESS BANK BRC PROJECT	26,378,481	-
ACCESS BANK BRC PROJECT	46,908,788	-
	<b>220,329,464</b>	<b>239,648,301</b>
 PETTY CASH ACCOUNT	 47,030.00	 14,410
	 <b>220,376,494</b>	 <b>239,662,711</b>

## NIGERIAN RED CROSS SOCIETY

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2021

NOTE 7	2,021	2020
INVENTORY	NGN	NGN
	54,900,350	61,259,490
<b>NOTE 8: RECEIVABLES</b>		
<b>a. ADVANCES</b>		
STAFF ADVANCES	14,139,795	13,667,749
BRANCH ADVANCE	59,790,573	23,215,223
NATIONAL DISASTER RESPONSE TEAM	2,748,100	-
UNHCR STAFF ADVANCES	8,074,787	-
	<b>84,753,255</b>	<b>36,882,972</b>
<b>b. OTHERS</b>		
MEMBERS	-	3,411,770
	-	<b>3,411,770</b>
<b>TOTAL RECEIVABLES</b>	<b>84,753,255</b>	<b>40,294,742</b>
Current Receivables	84,753,255	40,294,742
Non-current Receivables	-	-
<b>TOTAL RECEIVABLES</b>	<b>84,753,255</b>	<b>40,294,742</b>

These are advances granted to officers and branches to carry out official activities but were unretired at the end of the reporting period.

### NOTE 9 PREPAYMENTS AND CONTRACT ASSETS

Prepaid rent	9,500,000	9,500,000.00
	<b>9,500,000</b>	<b>9,500,000</b>

The Prepayments balance is the amount of rent paid in advance in the respective years because the tenancy runs from the middle of one year to the other.

**NIGERIAN RED CROSS SOCIETY**  
**AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2021**

**NOTE 10: Non-Current Assets Schedule**

2021	NATIONAL										Total
	LAGOS BUILDING	CLINIC BUILDING	SULEJA LAND	TRAINING CENTER	MOTOR VEHICLE	FURNITURE & FITTINGS	OFFICE EQUIPMENT				
COST	N	N	N	N	N	N	N	N	N	N	N
As at											
01/01/2021	563,875,000	40,429,538	150,000,000	100,000,000	57,300,000	13,104,730	20,866,707				945,575,975
Additions	-	-	-	-	8,750,000	2,220,992	8,371,000				19,341,992
Revaluation	-	-	-	-	-	-	-				-
Disposals	-	-	-	-	-	-	-				-
As at											
31/12/2021	563,875,000	40,429,538	150,000,000	100,000,000	66,050,000	15,325,722	29,237,707				964,917,967
DEPRECIATION											
As at											
01/01/2021	21,755,000	13,746,044	-	6,000,000	22,920,000	2,366,546	4,169,862				70,957,451
Charges for the Year	11,277,500	808,591	-	2,000,000	13,210,000	1,532,572	9,648,443				38,477,106
Disposal	-	-	-	-	-	-	-				-
As at											
31/12/2021	33,032,500	14,554,635	-	8,000,000	36,130,000	3,899,118	13,818,305				109,434,558
CARRYING AMOUNT											
NBV											
31/12/2021	530,842,500	25,874,903	150,000,000	92,000,000	29,920,000	11,426,604	15,419,402				855,483,409
NBV											
31/12/2020	542,120,000	26,683,494	150,000,000	94,000,000	34,380,000	10,738,184	16,696,845				874,618,524

The cost of the vehicles that were disposed off in the year 2021 were initially written off in the year of acquisition. They were originally not included here because their prices were lower than the threshold for the capitalisation of non-current assets as in the finance policies of the society.

**NIGERIAN RED CROSS SOCIETY**

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2021

**NOTE 11( a): CREDITORS AND ACCRUALS**

	<b>2021</b>	<b>2020</b>
	<b>NGN</b>	<b>NGN</b>
AUDIT FEE	1,500,000	1,000,000
LAGOS BRANCH PAYE(RTA)	-	63,000
	29,559,052	26,486,821
Membership statutory dues	11,604,074	13,980,240
Pension payable	169,821	-
	<b>42,832,947</b>	<b>41,530,061</b>

**NOTE 11( b): CREDITORS AND ACCRUALS**

PAYE(RTA)	26,486,821	-
Membership statutory dues	13,980,240	-
	<b>40,467,061</b>	-

c. The pension payable of N169,821 is the balance of unremitted pension contribution by the Society (As at 31/12/21) in accordance with the pension reform 2004 as amended in Nigeria. Nigeria operates a contributory pension scheme whereby contributions are made by employer and employees and remitted to the employee's chosen pension funds administrator and on retirement by an employee, the society has no pension liability in favour of the employee if all contributions had been remitted to the pension fund administrator as and when due.

## **NIGERIAN RED CROSS SOCIETY**

**AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>ST</sup> DECEMBER, 2021.**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **12. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION**

The Financial Statements of Nigerian Red Cross Society have been prepared in accordance and comply with International Financial Reporting Standards (IFRS). The Financial Statements are presented in accordance with the Nigerian Red Cross Society's (NRCS) finance policies and in Nigerian Naira (NGN) which is the functional currency of the NRCS. The accounting policies have been consistently applied to the year presented. The financial statements have been prepared on the basis of historical cost convention.

#### **13. SIGNIFICANT JUDGEMENTS AND ESTIMATES.**

The preparation of financial statements requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The key judgement that management made in the preparation of the financial statements is as follows:

The estimated useful lives of Property, Plant and Equipment as set out in the significant accounting policies and as applied in Note 10 in the estimation of the depreciation of the non-current assets of NRCS. Key estimates and underlying assumptions are reviewed on an ongoing basis.

#### **14. SIGNIFICANT ACCOUNTING POLICIES**

##### **14.1 Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand and cash at bank,  
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deposits on call and highly liquid investments with an original maturity of 3 months or less, which are readily convertible to known amounts on cash and are subject to insignificant risk of changes in value.

#### **14.2 Receivables from exchange transaction and non-exchange transactions**

Receivables from exchange transactions are recognized initially at fair value and subsequently measured at amortized cost using the effective interest methodless provision for impairment. A provision for impairment of receivables is established when there is objective evidence that NRCS will not be able to collect all amounts due according to the original terms of the receivables. Receivables from non-exchange transactions comprises; fees, taxes and fines (and any penalties associated with these activities) as well as social benefit receivables that do not arise out of a contract. These receivables are initially assessed at nominal amount or face value. These receivables are subsequently adjusted for penalties as they are charged, and tested for impairment.

#### **14.3 Inventories**

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted average method. Inventories held for distribution for public benefit purposes are recorded at cost, adjusted where applicable for any loss of service potential.

#### **14.4 Financial assets**

##### **14.4.1 Loans to employees**

Loans to employees are provided to cushion the effect of economic hardship. Loans are repayable in 12 monthly installments.

##### **14.4.2 Available for sale securities**

NRCS could use surplus cash to purchase short-term investments. These financial assets are classified at initial recognition as available-for-sale. Available-for-sale financial assets are included in non-current assets unless NRCS intends to dispose of the investment within 12 months of the reporting date. Regular purchases and sale of financial assets are

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recognized at fair value on the trade-date and subsequently at fair value with any resultant fair value gains or losses recognized in the statement of changes in reserves. Realized gains and losses on sale of available-for-sale securities are recognized in the statements of financial performance as 'gains and losses from available-for-sale securities.' Impairment losses and interest on available-for-sale securities are calculated using the effective interest method and are recognized in the statement of financial performance as part of other income. NRCS did not record any short-term investment in the period under review.

#### **14.5 Intangible assets**

Intangible assets are stated at historical cost less accumulated amortization and any impairment losses. Amortization is provided over the estimated useful life using the straight-line method.

#### **14.6 Property, Plant and Equipment**

All property, plant and equipment are stated at historical cost less depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefit or service potential associated with the item will flow to NRCS and the cost of the item can be measured reliably. The carrying amount of a replaced part is derecognized. All repairs and maintenance is charged to the statement of financial performance during the financial period in which it is incurred.

Depreciation on assets is charged on a straight-line basis at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life:

Buildings- 50 years

Plant & Machinery- 5 years

Motor Vehicles- 5 years

Furniture and Fixtures- 10 years

Computer Equipment- 3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. NRCS assesses annually whether there is an indication that an asset may be impaired.

An asset's carrying amount is written down immediately to its recoverable amount or recoverable service amount if the asset's carrying amount is greater than its estimated recoverable amount or recoverable service amount.

#### **14.9 Payables under exchange transactions**

Payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

#### **14.10 Financial liabilities – borrowings**

Borrowings are recognized initially at fair value, net of transactions costs incurred. Borrowings are subsequently stated at amortized costs; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of financial performance over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan. The fee is capitalized and amortized over the period of the facility to which it relates. Borrowings are classified as current liabilities unless NRCS has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

Borrowings costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized and included in the cost of that asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. NRCS had no such qualifying assets during the year. All other borrowing costs are recognized as expenses in the period in which they are incurred.

#### **14.11 Derivative financial instruments**

NRCS does not have derivative financial instruments



#### **14.12 Management of capital**

NRCS was established by an act of parliament in 1960. On inception, cash and other assets were entrusted to the council. The purpose of which is to fund NRCS' core service potential of promotion of humanitarian intervention within and as a member of the International Federation of Red Cross and Red Crescent. NRCS does not measure its capital efficiency by the payment of a 'return' on its equity to government; however, it does measure its service delivery and its capability to deliver its specialized services.

14.13 Contribution from partners are recognized as grant in the statement of Comprehensive income, however, contribution from the owners are expressed as excess of total assets over total liabilities, thereon called net assets (Reserves).

#### **14.14 Other operating revenue**

Other operating revenue arises from exchange transactions in the ordinary course of NRCS's activities. It comprises the fair valuation of the consideration received or receivable for the service rendered in the ordinary course of NRCS' activities. It is shown net of tax, returns, rebates and discounts as applicable.

#### **14.15 Fees, taxes and fines**

NRCS recognizes revenue from non-exchange transaction fees, taxes and fines when the event occurs and the resulting asset's recognition criteria are met. Other non-exchange revenues are recognized when it is probable that the future economic benefit or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

#### **14.16 Employee Benefits/Pension obligations**

NRCS makes pension contributions on behalf of its staff in accordance with Nigerian pension reform Act 2004 as amended to date. The contributions are treated as a payment to a defined contribution pension plan. A defined contribution plan is a pension plan under which fixed contributions are paid into a separate pension entity fund. NRCS has no legal or constructive

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obligations to pay further contributions if the relevant pension fund administrator does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods. The employer contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

#### **14.17 Interest income**

Interest income is accrued using the effective interest rate method. The effective interest rate exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this rate to the principal outstanding to determine interest income each period.

#### **14.18 Interest expense**

Interest expense is accrued using the effective interest rate method. The effective interest rate exactly discounts estimated future cash payments through the expected life of the financial liability to that liability's net carrying amount. The method applies this rate to the principal outstanding to determine interest expense on each period.

#### **14.19 Leases**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of financial performance on a straight-line basis over the period of the lease.

14.19.1 Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to NRCS. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. Finance charges are recognized as finance costs in surplus or deficit.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if it is not reasonably certain that NRCS will obtain

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ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and lease term.

14.19.2 NRCS has entered into property leases of some of its properties. NRCS has determined, based on an evaluation of the terms and conditions of the arrangements, (such as the lease term not constituting a substantial portion of the economic life of the commercial property) that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

#### **14.20 Foreign currencies**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign Exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in statement of other comprehensive income. NRCS does not currently have any hedging arrangements.

#### **14.21 Financial Risk Management**

NRCS seeks to minimize its exposure to financial Risk. The only Financial Assets that it may purchase are cash, or cash equivalents and listed equity investments. The only financial liabilities that it may have (other than supplier liabilities) are bank overdrafts and bank loans.

##### **(a)Currency Risk**

NRCS manages its bank accounts both in Naira, British Pound, Euro and US dollar, which are the official currency of Nigeria, UK, European Union and United State respectively.

##### **(b)Interest rate risk**

Interest rate risk arises from possible impact of changes in the interest rates on the value of financial instruments. NRCS does not have the assets and liabilities that are materially dependent on interest rate levels therefore;

management believes that NRCS has no exposure to interest rate risk.

**(c) Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. NRCS is exposed to credit risk on its receivable accounts. NRCS seeks to reduce the credit risk by setting credit limits for staff and branch receivables and monitoring existing outstanding receivables' balances.

**(d) Financial guarantee contracts**

NRCS has not entered into any financial guarantee contracts. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognized less cumulative amortization.

**(e) Liquidity risk**

Liquidity risk is the risk of NRCS not being able to meet its obligations as they fall due. NRCS's approach to managing liquidity risk is to ensure sufficient liquidity is available to meet its liabilities when due, without incurring unacceptable losses or risking damage to the NRCS's reputation. NRCS ensures that it has sufficient cash on demand to meet expected operating expenses through the use of cash flow forecasts.

**.22 First Time Adoption of IFRS and Comparative Year Disclosure**

The 2021 financial statements have been prepared more in compliance with the International Financial Reporting Standards and in accordance with the rules and procedures of IFRS and IPSAS (most appropriate for the nature of NRCS) for global acceptance.

This has resulted in a variation of presentation outlook, without any impact on the reliability of the numbers themselves. Thus, the expenses classification was done on the basis of functional expenses (common and recommended for NGOs as against expenses by nature. Expenses by

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functions is meant for an organization that has structures, departments or units with a recognized reporting line while expenses by nature is for a smaller business without complex structures.

One illustration is the fact that what was classified as personnel cost in 2020 has been reclassified as other program related expenses- staff support cost in 2021. This should, therefore, be taken into account when making a comparison between 2021 and 2020 financial years.